

SECRET

8 April 1975

MEMORANDUM FOR THE RECORD 25X1A

SUBJECT: Conversations with [redacted] Legislative
Counsel's Office

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1. In my conversations with [redacted] today, confirming last night's conversation which had already been reported to [redacted] and AC/SOG, he [redacted] reaffirmed the following. He had on 7 April discussed the congressional briefing paper with Chairman Nedzi and the paper was read by Mr. Slatchek (phonetic) of Mr. Nedzi's staff. Mr. Slatchek asked questions which [redacted] answered, apparently satisfying him. Mr. Nedzi asked [redacted] whether the entire proceeding appeared to be safe and clean and [redacted] said that it did except that [redacted] reminded Mr. Nedzi that some vulnerability might come from the fact that two [redacted] officers did later go to work for [redacted]. [redacted] said he told Mr. Nedzi that we in CIA are confident that no "feather bedding" was possible here because CIA Headquarters personnel took over management of the transaction with [redacted] making feather bedding impossible. [redacted] said that Mr. Nedzi wished at that point to have the safety which "... a GAO look and imprimatur" would give the transaction.

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2. [redacted] asked me to get with Messrs. John McMahon (A/DDA), [redacted] Charlie Kane (D/SEC), and our own DDO people to arrive at a decision on who should request a GAO inspection of the liquidation. (I confirmed that [redacted] did not mean GSA. He was alluding to the same team whose members are known to us and which looked into the Southern Air Transport divestiture.) [redacted] noted that the Comptroller General, as agent of Congress, is the appropriate party to do this job rather than GSA, who would be the agent of the Executive Branch. He reiterated that the question is whether the Agency or Mr. Nedzi should activate GAO. He said Mr. Nedzi definitely wanted a post facto look at what had been done.

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3. I will be calling the parties named above on this after AC/SOG conveys Mr. Briggs' concurrence in this line of action.

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cc: AC/SOG 25X1A
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